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*The DECIMAL SYSTEM of the INCOME TAX and the BUDGETS of the  
ANCIENTS.*

*By* DR. MICHELSEN, *of the Board of Trade.*

THOUGH the peculiar forms of society among the Greeks and Romans had reduced the productive classes to mere slaves, or at best to protected aliens, and had thus retarded the scientific development of national wealth and resources, yet were their budgets based on principles so clear and simple, that they may still furnish our modern Finance Ministers with some useful hints in framing their estimates.

The financial system, among the Greeks, clearly shows an utter reluctance to impose *direct* and *forced* taxes upon the free citizens. Personal and land taxes occur therefore in the form of *ground rent* only under the rule of the *Tyrants*, while *property tax* was resorted to only in extreme cases of financial need, as an extraordinary measure. Aristotle (in his "Economic"), considers the best income of the State to consist in the produce of domains, mines, and forests belonging to the State, as also in the indirect taxes derived from Excise and Customs duties, which he characterises as *self-imposing* taxes, and consequently more congenial to the independent feelings of the Greeks. It was only in extreme financial embarrassments, that since *Solon*, a property or income tax was resorted to at Athens. The views of our modern physiocrats, who considered land and soil as solely liable to taxation, prevailed also at Athens under similar forms of the agrarian laws. An aliquot part of the official valuation of the average produce of land was registered in the taxation-schedules (the *Τιμηνα*), which was carried out by the principle of progression, the taxed capital or income being differently fixed for the various trades. The first was taxed on the whole of the *net income*, the second on only five-sixths, and the third on five-ninths. At a later period also moveable property, or, as the Greeks call it, *private* property, was subjected to the same process of taxation.

Also at Rome a considerable portion of the public revenue was already in the early times of the Republic derived from indirect taxes, *harbours*, *roads*, and *market dues* (*vectigalia* and *portoria*), while the system of *direct taxes* was admirably simple, and strictly adapted to the decimal system as introduced in monetary transactions, credit, and farm-rent. The *direct taxes* were divided into *personal* and *impersonal*, or *tributum* and *stipendium*. It is well known, that the citizens of Rome were registered in the Census according to *capita* (the extent of their taxable property). One *caput* was equal

to 1 *jugum* = 20 *juga*. The seed of 1 *jugerum* was estimated at 10 *modia*, or  $1\frac{4}{10}$ ths *medimna*, and the gross average yield at six to seven times the quantity of the seed. The gross yield of 1 *jugerum* would consequently be 10 *medimna*, and the net produce (which was estimated at 10 per cent. of the gross yield) only 1 *medimnum*. This would bring the capital, if at 1 per cent. interest, to 100 *medimna*.

The value of 1 *medimnum* was taken at 10 *asse* (= 6s.), giving thus the capital value of 1 *jugerum* at 1,000 *asse* (= 30*l.*), and that of the *jugum*, or caput, at 20,000 *asse* (= 600*l.*) The *simplum* of the tributum thus amounted to  $\frac{1}{1000}$ dth of the taxed capital, to  $\frac{1}{100}$ dth of the gross yield, and to one-tenth of the net produce; but as the tax did not rest upon the *jugum* as a field, but upon its official valuation in money, it was strictly considered a *personal* or *property* tax, and was therefore resorted to only in extreme cases of financial difficulties, by doubling and even trebling the *simplum* rate, according to circumstances, while in ordinary times when there was no deficiency in the revenue the *tributum* was entirely remitted.

Of a far different character was the *stipendium* levied upon the lands of the aliens or non-citizens of Rome. As their lands were by law considered not absolutely *private*, but to some extent *public* property, the *stipendium* was a sort of farming-rent paid to the State, and amounted to one-tenth of the gross yield, and was paid either in the raw material or its value according to the market price. Also the *vectigal* was calculated by the same rule of decimal estimate, though it was, properly speaking, not a land tax but a ground rent, which was levied upon public lands from the year 346 u.c., until the time when by the *Lex Thoria* they were declared to be the private property of the fee-farmers.

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